

## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the "Agreement") is made and entered into in duplicate this 1<sup>st</sup> day of December, 2008, by and between REBECCA G. HUDSON (referred to herein as the "Seller") and the ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY, a political subdivision of the Commonwealth of Virginia (herein referred to as the "Purchaser") (the Seller and Purchaser shall sometimes be referred to collectively as the "Parties").

### WITNESSETH:

For and in consideration of the sum of One Dollar (\$1.00) cash in hand paid, and other good and valuable consideration, the receipt of all of which is hereby acknowledged by the Seller, the Seller agrees to sell and convey to the Purchaser, and the Purchaser hereby agrees to purchase from the Seller, on and subject to the terms and conditions set forth below, the following described real estate, (the "Property"), located in the Marksville Magisterial District of Page County, Virginia, to-wit:

- (1) Tax Map No. 72-(A)-29K containing 120 acres 37 poles and being the same land that was conveyed by deed recorded in the Page County Circuit Court Clerk's Office ("Clerk's Office") in Deed Book #432 at Page 237.
- (2) Tax Map No. 72-(A)-2G containing 43 acres 128 poles and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book #432 at Page 252.
- (3) Tax Map No. 62-(A)-51D containing 3.091 acres and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book #445 Page at 748.
- (4) Tax Map No. 72-(A)-21 containing 31 acres 147 poles and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book #446 at Page 486.
- (5) Tax Map No. 72-(A)-1A containing 5 poles and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book #471 Page 683.
- (6) Tax Map No. 72-(A)-29L containing 11 acres 104 poles and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book 509 Page 823.

The Property includes all easements, gas, oil, mineral and mining rights, all riparian rights and rights to underground water, and any and all other rights and appurtenances of Seller that are in any way associated with the Property, including all buildings, structures, fences and other permanent improvements to the Property owned by Seller. The Property does not include any personal property of any kind, such as cattle, livestock, removable (unattached) equipment, household goods or furniture, which Seller shall remove before Seller is required to relinquish possession of the Property.

1. **Purchase Price.** The purchase price of the Property shall be Seven Million Five Hundred Thousand Dollars (\$7,500,000.00) (the "Purchase Price"). The Purchase Price shall be payable as follows:

- A. One Million (\$1,000,000.00) shall be paid by Purchaser to Seller in

in certified funds, attorney's trust check or by wire transfer at the Closing (as hereinafter defined).

- B. The balance of the Purchase Price shall be evidenced by a Non-Recourse Promissory Note executed by Purchaser and payable to Seller or her Order in the original principal sum of Six Million Five Hundred Thousand Dollars (\$6,500,000.00). This note shall bear interest at the rate of five (5%) percent per annum, and shall be paid in equal annual principal and interest payments of Three Hundred and Seventy Eight Thousand Eight Hundred and Eight Dollars and Five Cents (\$378,808.05) due on the 1<sup>st</sup> day of January in the years 2010, 2011, 2012 and 2013. On January 1, 2014, the Note shall come due and all unpaid interest and principal shall be paid in full. The Note may be prepaid in whole or in part at any time without penalty. The Note shall also contain the additional terms and conditions and shall be in the format as shown in Exhibit A, attached hereto, which is incorporated herein and made a part hereof. This note shall be secured by a first position deed of trust lien on the Property herein sold, which deed of trust shall contain the terms and be in the format as shown in Exhibit B, attached hereto which is incorporated herein and made a part hereof. Seller agrees that she will release from her deed of trust lien any portion of the Property at the request of the Purchaser upon the following terms: The first twenty eight (28) acres will be released at Purchaser's request without any additional payments or consideration. Thereafter, any additional land will be released from the deed of trust upon payment by Purchaser to Seller of an amount equal to \$44,500.00 per acre. This sum shall be credited to the principal of the Note. Purchaser shall also have the right to grant easements involving the Property and the parties hereto agree that these easements shall be free of and superior to Seller's deed of trust lien, and Seller agrees to execute any necessary releases to evidence this agreement. Seller's residence and the 1 acre yard surrounding it may not be included in any partial release during the first year following Closing.

The parties acknowledge and agree that the Note evidencing the deferred purchase price shall be a non-recourse note and Seller's sole remedy for Purchaser's failure to pay the sums due on the Note shall be to foreclose under the deed of trust securing said Note. Neither the Commonwealth of Virginia, nor any political subdivision thereof nor the Economic Development Authority of Page County shall be obligated to pay this Note or the interest thereon or other costs incident thereto except from the property pledged therefor and that neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, is pledged to the payment of the principal of this note or the interest thereon or other costs incident thereto.

Seller will pay all real estate taxes for the year 2008. Any income or rents from the Property for the year in which the Closing occurs, shall be prorated as of the date of the Closing. Any real estate "roll back" taxes on the Property assessed after Closing shall be paid by Purchaser if applicable.

2. ***Seller's Representations and Warranties.*** Seller represents and warrants to Purchaser as follows:

(a) Seller alone has (and at Closing will have) good, marketable and indefeasible fee simple title to the Property, free and clear of all liens and encumbrances other than the lien for real estate taxes not yet due and payable (which shall be prorated at Closing); and,

(b) Seller has full right, power and authority to execute and deliver this Agreement and to consummate the transaction provided for herein without obtaining any further consents or approvals from, or the taking of any other action with respect to, any third parties; and

(c) At the Closing, Seller will be able to convey to the Purchaser good, marketable and indefeasible fee simple title to the Property, free and clear of all liens, leases and other encumbrances other than any existing utility easements; and,

(d) No other options to purchase, purchase agreements, rights of refusal, and any other options or rights exist with respect to the Property other than this Agreement.

3. **Risk of Loss, Eminent Domain.** Risk of damage or destruction to the Property by fire or otherwise shall remain with Seller until Closing. If the Property is damaged or destroyed, taken by eminent domain or if condemnation proceedings are commenced, Seller shall immediately provide notice of same to Purchaser and Purchaser may terminate this Agreement by delivery of written notice to Seller, and thereafter, neither party shall have any further liability to the other. If Purchaser does not elect to terminate this Agreement, then there should be credited to the Purchase Price all insurance and condemnation proceeds received by Seller prior to Closing, and Seller shall assign, transfer and set over to Purchaser at the Closing, all of the Seller's right, title and interest in and to any insurance and proceeds thereof for such damage or destruction or condemnation awards that may be made for such taking after the Closing.

4. **Inspections and Survey.** From the date of this Agreement until Closing, Purchaser and its agents shall have, and Seller hereby grants to Purchaser and its agents and contractors, the right of ingress and egress on, over, through, across, to and from the Property for the purpose of making any inspections, explorations, tests (including but not limited to Phase I and II and other environmental inspections, samplings, drilling, and tests) and examinations of the Property as Purchaser may desire, or engaging in any other property evaluation and assessment activities which Purchaser deems appropriate. During this period, Purchaser may elect to cause a licensed surveyor or engineer prepare an accurate survey of the Property (the "Survey"), establishing the boundaries of the Property and showing the location of all easements or encroachments, if any, affecting the Property. If the exact boundaries of the Property established by the Survey should differ from the current legal description contained in the land records, then Seller will convey the Property to Purchaser based on the new Survey.

By entering the Property for this or any other purpose, Purchaser:

(a) Accepts the risk of any damage it may cause to the Property or Seller's personal property on the Property.

(b) Agrees to repair any damage caused by Purchaser to the Property, including gates and fences; and,

(c) Agrees to indemnify Seller against and hold Seller harmless from all liability caused by Purchaser's negligence or other misconduct in connection with Purchaser's activities on the Property during the term of this period, unless caused in whole or in part by the acts or omissions of the Seller, or its agents, employees, occupants, tenants, contractors or subcontractors.



**6. Closing.**

(a) The Closing shall take place in the law offices of Reed & Reed, P.C., located at 16. S. Court Street, Luray, Virginia, on or before December 29, 2008, or as soon hereafter as title can be examined, the contingencies contained in this Agreement are satisfied and any closing papers prepared.

(b) At the Closing:

(1) Seller shall obtain and deliver releases of liens, if any, from all lien holders holding liens affecting the Property.

(2) Seller shall execute and deliver to the Purchaser a General Warranty Deed with English covenants of title, covering the Property, conveying good and indefeasible fee simple title to the Property, free and clear of all liens and encumbrances, other than any existing utility easements.

(3) Seller shall execute and deliver to Purchaser or its title insurer (i) a mechanic's lien affidavit in a form satisfactory to Purchaser or its title insurance company, (ii) an affidavit if the form required by Section 1445 of the U.S. Internal Revenue Code to establish that Seller is not a foreign person, (iii) a statement certifying that all representations and warranties of Seller contained in this Agreement remain true and correct as of the date and time of Closing, and (iv) such other affidavits or certifications required by Purchaser's title insurance company, and as set forth in the title insurance commitment, or Purchaser's attorney may require regarding title to the Property.

(c) Seller and Purchaser shall each execute such other instruments as are customarily executed in Virginia to effectuate the conveyance and acceptance of real estate similar to the Property, including any transfers of all riparian rights, rights to underground water and mineral rights associated with the Property, with the effect that, after the Closing, Purchaser will have succeeded to all of the rights, titles and interests of Seller related to the Property and Seller will no longer have any right, title or interest in and to the Property.

(d) Intentionally omitted.

(e) Purchaser shall tender to Seller the Purchase Price, subject to any credits or adjustments to the Purchase Price that are required under this Agreement, including the aforesaid Note and Deed of Trust.

(f) Seller shall assign to Purchaser all Seller's rights and obligations under any contracts or leases related to the Property which Purchaser elects to assume by written notice to Seller delivered prior to Closing.

**7. Possession & Lease Back of Residence & Farm Land.**

(a) Except as hereinafter provided, Seller shall deliver exclusive possession of the Property to Purchaser at the Closing, in the same condition as of January 9, 2008, normal wear and tear excepted, free and clear of all tenants, occupants, parties in possession, leases, licenses and permits. However, at Seller's option, Seller shall be entitled to retain possession of her current residence and up to 1 acre surrounding the same located on that portion of the Property designated as Tax Map #72-(A)-29L, together with the right of ingress and egress thereto over the existing driveway from the public road, for up to one (1) year after Closing. If Seller elects to retain possession of her residence after Closing, she agrees to pay to Purchaser the sum of \$750.00 per month for rent for this residence, and she will be responsible for all minor repairs of less than \$200.00 to the residence and all

utilities used in the residence during the period of her occupancy. It is understood and agreed that Purchaser shall have no duty to make any repairs to the residence during Seller's occupancy thereof.

(b) In addition, Seller shall have the option to lease the farm land contained within the Property commencing at Closing on the terms and conditions contained in the attached Exhibit C - Agricultural Lease Agreement, which is incorporated herein and made a part hereto.

(c) This lease and Seller's leasehold interest hereunder are and shall be subject, subordinate to, and inferior to any lien or encumbrance hereafter placed on the Property by Purchaser, all advances made under any such lien or encumbrance, the interest payable on any such lien or encumbrance, and any and all renewals or extensions of such liens or encumbrances. Seller agrees to promptly execute any subordination agreement evidencing these provisions.

(d) The Seller agrees that she shall assume all liability for any injury or damage to persons or property that may arise on or about the Property, or caused by any animal escaping from the Property, due to the breach of any of the terms or conditions of this lease provision by her, or the acts, omissions or negligence of her or her employees, agents, or subcontractors. The Seller shall indemnify the Purchaser against all such claims filed or made by parties so injured or damaged, and shall reimburse the Purchaser for any legal fees and/or costs, including attorney's fees, incurred in defense of any such claim.

8. **Brokers.** Seller and Purchaser both represent and warrant to the other that it has not hired, engaged or consulted with any broker or agent to which the other party has or will have any obligation. Purchaser agrees to indemnify Seller from and against any and all claims, demands, costs or expenses arising from such party's failure to pay any commission or fee payable to any brokers or agents Purchaser dealt with. Seller agrees to indemnify Purchaser from and against any claims, demands, costs or expenses arising from such party's failure to pay any commission or fee payable to any brokers or agents Seller dealt with. If needed to clear title to the Property, Seller and Purchaser shall execute at Closing such affidavits as are appropriate to confirm to the satisfaction of Purchaser's title insurance company that no choate or inchoate liens and lien rights exist in favor of any brokers. The provisions of this paragraph shall survive Closing, or the earlier termination or expiration of this Agreement.

9. **Closing Expenses.** Seller shall be responsible for the cost of preparing the deed. If applicable, Purchaser shall be responsible for the cost of recording the deed with the exception of the grantor's tax. Purchaser shall be responsible for the cost of the title search, the cost of title insurance, the costs of investigating the Property, and the cost of the Survey, if any. Seller shall be responsible for the payment of the grantor's tax. Each party shall be responsible for its own attorney's fees.

10. **Environmental Representations and Warranties.** Seller represents and warrants that, as of the date of this Agreement, and as of the time of the Closing, that:

(a) The Property is in compliance with all federal, state and other environmental and other laws, rules and regulations;

(b) There are no pending, and to Seller's knowledge, threatened claims, lawsuits, administrative proceedings, enforcement actions or investigations concerning the Property by any private party or governmental entity, nor has Seller received notice of any such activities, and Seller agrees to give Purchaser prompt written notice of any such actions or investigations instituted between the date hereof and the date of the Closing;

(c) Seller has not received any notice of any judicial or administrative consent orders or other provisions calling for compliance with any legal requirement or for correction of any violation;

(d) The Property has not been the site of any activity that would violate any past or present environmental law or regulation of any governmental body or agency having jurisdiction over the Property, and that there are not now and never have been any solid or hazardous wastes or substances, or oil or other dangerous or toxic substances, all as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. ("CERCLA"), the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"), the Hazardous Material Transportation Act, 49 U.S.C. §§1801 et seq., the Clean Water Act, 33 U.S.C. §§1251 et seq., or the Toxic Substance Control Act, 15 U.S.C. §§2600 et seq., or any other applicable federal, state or local law, rule or regulation, stored, placed, treated, released or disposed of anywhere on the Property;

(e) The Property is not identified on any current or proposed (i) National Priorities List under 40 C.F.R. Part 300, (ii) CERCLA Information Systems List, or (iii) state environmental or other regulatory agency list based on a statute similar to CERCLA or RCRA; and

11. **Default.** If Seller defaults under this Agreement and such default continues for thirty (30) days after receipt of notice thereof from Purchaser to Seller, the Purchaser, in addition to all other remedies available to it in law or in equity, shall be entitled to (i) prosecute an action for specific performance of this Agreement against Seller, or (ii) terminate this Agreement by notice to Seller, and be reimbursed by Seller for its expenses associated in investigating and surveying the Property, including its attorneys fees and engineering fees in which event neither party shall have any further liability to the other except. If either party breaches the terms of this Agreement, the non-breaching party shall be entitled to recover from the breaching party, its reasonable attorney's fees and costs associated with enforcing this Agreement.

12. **NOTICE OF PURCHASER REGARDING SETTLEMENT AGENT AND SETTLEMENT SERVICES - Choice of Settlement Agent:** You have the right to select a settlement agent to handle the closing of this transaction. The settlement agent's role in closing your transaction involves the coordination of numerous administrative and clerical functions relating to the collection of documents and the collection and disbursement of funds required to carry out the terms of the contract between the parties. If part of the purchase price is financed, your lender will instruct the settlement agent as to the signing and recording of loan documents and disbursement of loan proceeds. No settlement agent can provide legal advice to any party to the transaction except a settlement agent who is engaged in the private practice of law in Virginia and who has been retained or engaged by a party to the transaction for the purpose of providing legal services that party.

**Escrow, closing and settlement services guidelines:** The Virginia State Bar issues guidelines to help settlement agents avoid and prevent the unauthorized practice of law in connection with furnishing escrow, settlement or closing services. As a party to a real estate transaction, you are entitled to receive a copy of these guidelines from your settlement agent, upon request, in accordance with the provisions of the Consumer Real Estate Settlement Protection Act.

13. **DISCLOSURE UNDER VIRGINIA RESIDENTIAL PROPERTY DISCLOSURE ACT.** The Virginia Residential Property Disclosure Act (Code of Virginia, 1950, §§55-517 through §§55-525) requires the Seller of certain residential property to furnish the Purchaser with a Disclosure Statement in the form prepared by the Virginia Real Estate Board. The Purchaser



and Seller acknowledge that they have received and executed a Residential Property Disclaimer Statement, a copy of which is attached to this agreement and incorporated herein. **THE PARTIES AGREE THAT EXCEPT AS HEREIN SPECIFICALLY SPECIFIED, THE PROPERTY IS SOLD IN AN "AS IS" CONDITION WITHOUT WARRANTIES.**

14. **Notice Of Possible Filing Of Mechanic's Lien.** Virginia law (§43-1 et seq. of the Code of Virginia, 1950, as amended) permits persons who have performed labor or furnished materials for the construction, removal, repair or improvement of any building or structure to file a lien against the property. This lien may be filed at any time after the work is commenced or the material is furnished, but not later than the earlier of (i) 90 days from the last day of the month in which the lienor last performed work or furnished materials or (ii) 90 days from the time the construction, removal, repair or improvement is terminated.

AN EFFECTIVE LIEN FOR WORK PERFORMED PRIOR TO THE DAY OF SETTLEMENT MAY BE FILED AFTER SETTLEMENT. LEGAL COUNSEL SHOULD BE CONSULTED.

15. **Title Insurance Notification.** The Purchaser may wish, at Purchaser's cost, to purchase owner's title insurance. Depending on the particular circumstances of the transaction, such insurance could include affirmative coverage against possible mechanics' and material men's liens for labor and materials performed prior to closing and which, though not recorded at the time of recordation of the Purchaser's deed, could be subsequently recorded and would adversely affect Purchaser's title to the Property. The coverage afforded by such title insurance will be governed by the terms and conditions thereof, and the dollar amount of the cost of obtaining such title insurance coverage.

16. **Survival.** All covenants, agreements, representations and warranties contained in this Agreement shall survive the Closing, transfer of the Property to Purchaser and the payment of the Purchase Price, and shall not merge into the General Warranty Deed delivered at Closing.

17. **Seller's Covenants and Conditions to Closing.** During the term of this Agreement Seller shall not, without the prior written consent of the Purchaser:

(a) Enter into any agreement, or amend, modify, extend or renew any existing agreement, for the use, sale or lease of the Property which would (1) survive Closing, (2) otherwise affect the use, operation or enjoyment of the Property after the Closing, or (3) materially and adversely affect the value of the Property;

(b) Commit or permit to be committed any waste or change in the use, condition or appearance of the Property;

(c) Commit or permit the cutting or severing of any timber on the Property (excluding the cutting for firewood of dead trees);

(d) Perform or consent to any zoning or re-zoning of the Property.

Purchaser's obligation to close the purchase of the Property shall be conditioned upon (1) there having occurred no material adverse change in the condition or use, or other change in circumstances, with respect to any land surrounding or in the vicinity of the Property that has a material adverse effect on the value of the Property; and (2) the Property being in substantially the same condition and used for the same uses and purposes on the date of the Closing as existed on January 9, 2008.

18. **Assignment.** Purchaser shall have the right to assign this Agreement and any of its rights and obligations hereunder to any party without the consent of the Seller, by delivering prior written notice of such assignment to the Seller at any time prior to the Closing. In addition, Purchaser may convey the Property or any portion thereof to Page County, Virginia subject to the deed of trust lien thereon provided for in paragraph # 1(B) hereof, without triggering any "due of sale or transfer" clause or provision in that deed of trust.

19. **Time is of the Essence.** Time shall be of the essence in the performance of all obligations under this Agreement. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required under this Agreement must be performed, or by which an event must be held, expires on a Saturday, Sunday or a Page County Court holiday, then such time period shall be automatically extended to the next business day at which the Page County Circuit Court Clerk's Office is open.

20. **Controlling Law.** This Agreement has been entered into under, and shall be interpreted and construed according to, the laws of the Commonwealth of Virginia.

21. **Entire Agreement; Modification.** This Agreement and all exhibits attached hereto constitute the entire and complete agreement between the Parties hereto and supersede any prior oral or written agreements between the Parties with respect to the Property, including, but not limited to, that certain Option Agreement dated January 9, 2008, between the Parties. Seller and Purchaser expressly agree that there are no oral or written understandings or agreements between them that in any way change the terms, covenants and conditions set forth in this Agreement, and that no modification of this Agreement, and no waiver of any of its terms or conditions, shall be effective unless made in writing and duly executed by both parties.

22. **Notices.** All notices provided or permitted to be given under this Agreement must be in writing and shall be served by depositing same in United States certified or registered Mail, return receipt requested, by guaranteed overnight delivery service (e.g. Federal Express, UPS Next Day Air), or by hand delivery, to each of the addresses set forth below. All notices shall be effective on the date of mailing or the date of consignment to a guaranteed overnight delivery service, or upon hand delivery. For purposes of notice, the addresses of the Parties shall be as follows:

Seller: Rebecca G. Hudson  
852 Middleburg Road  
Luray, VA 22835

and Robert S. Janney, Esquire  
12 S. Court Street  
Luray, VA 22835

Purchaser: Economic Development Authority of Page County  
Attention: Thomas Cardman, Executive Director  
117 S. Court Street, Luray, VA 22835

and

Mark N. Reed, Esquire  
Reed & Reed, P.C.  
16 S. Court Street, Luray, VA 22835



Seller and Purchaser shall have the right to change their addresses for the receipt of notices by giving five (5) days prior notice of such change of address in accordance herewith.

23. **TAX TREATMENT OF DEFERRED PURCHASE MONEY NOTE**

Purchaser makes no warranty or representation and neither does its legal counsel concerning the tax treatment of the Deferred Purchase Money Note (representing the balance of the purchase price) or the interest derived therefrom and specifically makes no warranty or representation that interest paid on the Note will be tax exempt either for Virginia or federal tax reporting and payment.

Purchaser agrees to reasonably cooperate with Seller in structuring the Note and the Deed of Trust securing its payments so as to qualify the Note as tax exempt under Virginia and federal law, but at no additional expense or risk to Purchaser. This may include executing a new note, amending the existing Note, or refinancing the Note by the execution of a note that qualifies as a tax exempt bond or note.

Purchaser agrees to reasonably cooperate to facilitate making the interest earned on the Note tax exempt, including the filing of any required forms, statements or disclosures with the Internal Revenue Service, the Virginia Department of Taxation, or any other governmental entity.

Seller shall reimburse the Purchaser for its attorney's fees, accounting fees and any other costs incurred in obtaining advice on the tax exemption issue and in attempting to qualify this Note and interest thereon as tax exempt. If the fees exceed or will exceed \$5,000.00 at any time, then the Seller shall have the right to cease efforts to qualify the Note and the interest earned on the Note as tax exempt.

Purchaser shall not be required to use any of Page County, Virginia's tax exempt bond allocation or quota in order to qualify the note as tax exempt.

24. **SECTION 1031 EXCHANGE.** To the extent permitted by law, provided there is no additional expense or risk to Purchaser. Purchaser and Seller and a third party to be identified by Seller may at Seller's option enter into a transaction intended to qualify for "like-kind" exchange treatment under section 1031 of the Internal Revenue Code of 1986 as amended (the "Code"). Under the terms of the exchange transaction, among other things, Purchaser would pay to a qualified intermediary designated by Seller the cash amount of the purchase price as hereinabove set.

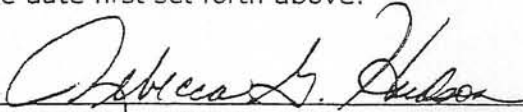
25. ***Allocation of Purchase Price.*** The purchase price shall be allocated as follows:

Residence and 2 acre yard surrounding it	-	\$ 400,000.00
Balance of land	-	\$7,100,000.00

26. ***Binding Effect.*** This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and assigns.

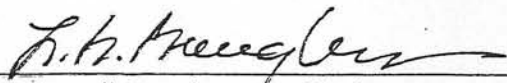
27. **Funding Contingency.** This Agreement is contingent upon the Board of Supervisors of Page County, Virginia appropriating and disbursing to the Purchaser the sum of One Million Dollars (\$1,000,000.00) representing the cash proceeds due at Closing, prior to December 29, 2008. If the Board of Supervisors fails to provide these funds to Purchaser prior to that date, then either party to this Agreement may thereafter cancel this Agreement upon written notice to the other party. Upon deliver of this notice of cancellation, neither party shall have any obligations to the other under this Agreement and this Agreement shall thereafter be deemed void and cancelled.

IN WITNESS WHEREOF, the Seller and Purchaser have executed this Agreement as of the date first set forth above.

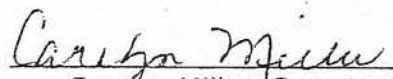
 (SEAL)  
REBECCA G. HUDSON, Seller

Date: December 1<sup>st</sup>, 2008

ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY

BY:  (SEAL)  
Lowell Baughan, its Chair  
Purchaser

Date: 12/10/08

ATTEST:   
Carolyn Miller, Secretary

## RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

### NOTICE TO SELLER AND PURCHASER

The Virginia Residential Property Disclosure Act (§ 55-517 et seq. of the Code of Virginia) requires the owner of certain residential real property, whenever the property is to be sold or leased with an option to buy, to furnish to the purchaser a RESIDENTIAL PROPERTY DISCLOSURE STATEMENT stating the owner makes the following representations as to the real property. Certain transfers of residential property are excluded from this requirement (see § 55-518).

Property Address/ 852 Middleburg Road, Stanley, Virginia  
Legal Description: Tax Map #72-(A)-29L

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The undersigned owner(s) of the real property described above makes no representations or warranties as to the condition of the real property or any improvements thereon, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary including obtaining a certified home inspection, as defined in § 54.1-500, in accordance with the terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

The undersigned owner(s) makes no representations with respect to any matters that may pertain to parcels adjacent to the subject parcel, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary with respect to adjacent parcels in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

The undersigned owner(s) makes no representations to any matters that pertain to whether the provisions of any historic district ordinance affect the property, and the purchaser(s) is advised to exercise whatever due diligence the purchaser deems necessary with respect to any historic district designated by the locality pursuant to § 15.2-2306, including review of any local ordinance creating such district or any official map adopted by the locality depicting historic districts, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

The undersigned owner(s) makes no representations with respect to whether the property contains any resource protection areas established in an ordinance implementing the Chesapeake Bay Preservation Act (§ 10.1-2100 et seq.) adopted by the locality where the property is located pursuant to § 10.1-2109, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary to determine whether the provisions of any such ordinance affect the property, including review of any official map adopted by the locality depicting resource protection areas, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement on the parcel of residential real property.

The undersigned owner(s) makes no representations with respect to information on any sexual offenders registered under Chapter 23 (§ 19.2-387 et seq.) of Title 19.2, and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary with respect to such information, in accordance with terms and conditions as may be contained in the real estate purchase contract, but in any event, prior to settlement pursuant to that contract.



The undersigned owner(s) makes no representations with respect to whether the property is within a dam break inundation zone and the purchaser(s) is advised to exercise whatever due diligence the purchaser(s) deems necessary with respect to whether the property resides within a dam break inundation zone, including a review of any map adopted by the locality depicting dam break inundation zones.

The undersigned owner(s) represents that there are no pending enforcement actions pursuant to the Uniform Statewide Building Code (§ 36-97 et seq.) that affect the safe, decent, and sanitary living conditions of the real property described above of which the owner has been notified in writing by the locality, nor any pending violation of the local zoning ordinance which the violator has not abated or remedied under the zoning ordinance, within a time period set out in the written notice of violation from the locality or established by a court of competent jurisdiction, except as disclosed on this statement.

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#### **Additional Written Disclosure Requirements**

Section 55-518.B. contains other disclosure requirements for transfers involving the first sale of a dwelling because the first sale of a dwelling is exempt from the disclosure requirements listed above. The builder of a new dwelling shall disclose in writing to the purchaser thereof all known material defects which would constitute a violation of any applicable building code.

In addition, for property that is located wholly or partially in any locality comprising Planning District 15, the builder or owner, if the builder is not the owner of the property, shall disclose in writing whether the builder or owner has any knowledge of (i) whether mining operations have previously been conducted on the property or (ii) the presence of abandoned mines, shafts, or pits, if any.

The disclosures required by this subsection shall be made by a builder or owner (i) when selling a completed dwelling, before acceptance of the purchase contract or (ii) when selling a dwelling before or during its construction, after issuance of a certificate of occupancy. Such disclosure shall not abrogate any warranty or any other contractual obligations the builder or owner may have to the purchaser. The disclosure required by this subsection may be made on this disclosure form. If no defects are known by the builder to exist, no written disclosure is required by this subsection.

Section 55-519.1 contains a disclosure requirement for properties located in any locality in which there is a military air installation.

Section 32.1-164.1:1 contains a disclosure requirement regarding the validity of septic system operating permits.

See also the Virginia Condominium Act (§ 55-79.39 et seq.), the Virginia Cooperative Act (§ 55-424 et seq.) and the Virginia Property Owners' Association Act (§ 55-508 et seq.).

The owner(s) acknowledge having carefully examined this statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

Rebecca G. Hudson 12/10/08  
REBECCA G. HUDSON Date Owner Date  
(Seller)

The purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have been informed of their rights and obligations under the Virginia Residential Property Disclosure Act.

ECONOMIC DEVELOPMENT AUTHORITY  
OF PAGE COUNTY

BY: R. M. Keegan 12/10/08  
its Chair Date Purchaser Date  
Purchaser

DPOR 7/08

VIRGINIA ASSOCIATION OF REALTORS  
DISCLOSURE OF INFORMATION AND ACKNOWLEDGMENT  
LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS  
(Purchase)

**Lead Warning Statement**

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

**Sellers' Disclosures** (each Seller initial in each space and check the appropriate box after each space)

- X (a) Presence of lead-based paint hazards (check one below):
- ☒ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain): \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- X (b) Records and reports available to the seller (check one below):
- ☐ Seller has no reports or records pertaining to lead-based paint and/or lead-based hazards in the housing.
- ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based hazards in the housing (list documents): \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Purchasers' Acknowledgments** (each purchaser initial in each space)

- [Signature] (c) Purchaser has received copies of all information listed above.
- [Signature] (d) Purchaser has received the pamphlet "Protect Your Family From Lead in Your Home."
- [Signature] (e) Purchaser has (check one below):
- \_\_\_\_\_ Received a 10-day opportunity (or mutually agreed-upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
- ☒ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

**Agents' Acknowledgments** (each agent involved in this transaction initial in the appropriate space)

- \_\_\_\_\_ (f) Seller's agent (listing agent) has informed the seller of the seller's obligations under 42 U.S.C. 4582(d) and is aware of his/her responsibility to ensure seller's compliance therewith.
- \_\_\_\_\_ (g) Seller's agent (subagent) has informed the seller of the seller's obligations under 42 U.S.C. 4582(d) and is aware of his/her responsibility to ensure seller's compliance therewith.
- \_\_\_\_\_ (h) Purchaser's agent (if agent will receive any compensation from seller or seller's agent) has informed the seller of the seller's obligations under 42 U.S.C. 4582(d) and is aware of his/her responsibility to ensure seller's compliance therewith.

**Certification of Accuracy**

The following parties have reviewed the information above and certify that, to the best of their knowledge, the information provided by the signatory is true and accurate.

Seller: [Signature] Date 12/1/08 Seller: \_\_\_\_\_ Date 1/1

REBECCA G. HUDSON

Purchaser: ECONOMIC DEVELOPMENT AUTHORITY Purchaser: \_\_\_\_\_ Date 1/1

OF PAGE COUNTY

BY: [Signature] Date 12/10/08 Purchaser's Agent: \_\_\_\_\_ Date 1/1

its Chair



(EXHIBIT C)  
AGRICULTURAL LEASE AGREEMENT

THIS AGRICULTURAL LEASE AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_, 2008, by and between the ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY, a political subdivision of the Commonwealth of Virginia, Grantor, herein referred to as "Landlord," and REBECCA G. HUDSON, Grantee, herein referred to as "Tenant".

WITNESSETH:

THAT for and in consideration of the mutual covenants contained herein, the Landlord and Tenant hereby covenant and agree as follows:

PREMISES

Landlord agrees to lease to Tenant the hereinafter described Property solely for the purpose or purposes specified herein, and subject to the terms and conditions herein set forth for a term of one (1) year, to commence on the date of Settlement under that certain Sales Agreement dated December 1, 2008, between the parties hereto, and to end one year thereafter, subject to the renewals as herein provided:

The following real estate located in the Marksville Magisterial District of Page County, Virginia, to-wit:

- (1) Tax Map No. 72-(A)-29K containing 120 acres 37 poles and being the same land that was conveyed by deed recorded in the Page County Circuit Court Clerk's Office ("Clerk's Office") in Deed Book #432 at Page 237.
- (2) Tax Map No. 72-(A)-2G containing 43 acres 128 poles and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book #432 at Page 252.
- (3) Tax Map No. 62-(A)-51D containing 3.091 acres and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book #445 Page at 748.
- (4) Tax Map No. 72-(A)-21 containing 31 acres 147 poles and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book #446 at Page 486.
- (5) Tax Map No. 72-(A)-1A containing 5 poles and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book #471 Page 683.
- (6) Tax Map No. 72-(A)-29L containing 11 acres 104 poles and being the same land that was conveyed by deed recorded in the Clerk's Office in Deed Book 509 Page 823, but expressly excluding the dwelling house and its yard and outbuildings.

RENT

In addition to the obligations and covenants contained herein, the Tenant agrees to pay to the Landlord the sum of One Thousand Dollars (\$1,000.00) as annual rental commencing on start of the lease term and thereafter by the annual anniversary date of the commencement

of the lease term. In the event the lease is terminated prior to the end of a particular lease term, the rent for that lease term shall be pro-rated to the date of termination.

#### USE OF BARNS AND STORAGE BUILDINGS

Tenant shall have the use of all existing barns and other storage buildings located on the Property, and shall have the right to use the existing agricultural well on the Property. Tenant shall be responsible for all electricity costs associated with these buildings and well.

#### RIGHT OF ENTRY & LANDLORD'S USE OF THE PROPERTY

The parties acknowledge that Landlord plans to develop the Property for an industrial and/or commercial business park which development is expected to be done in phases over time, and it is the intention of the parties that Landlord shall have complete and free use of the Property during the term of the lease for this development purpose. Accordingly, the Landlord reserves the right for themselves, their agents, employees, and assigns to enter upon the premises at any time, for any purpose, including but not limited to, making improvements thereon, for inspections, studies, surveys, or to show the Property. Landlord shall have the further right to restrict Tenant's use of portions of the Property, and to withdraw portions of the Property from the lease, upon thirty (30) days written notice to the Tenant.

#### ADJUSTMENTS TO PASTURE LAND AND INTERNAL FENCING

If the Landlord restricts Tenant's access or withdraws portions of the Property from the lease, Tenant agrees that she will, at her sole expense, erect electric or other similar temporary fences to section off areas of the Property upon which Purchaser's development activities are ongoing so as to prevent livestock from entering those restricted or withdrawn areas.

#### TRANSFER OF PREMISES

If the Landlord should sell, devise, or otherwise transfer the title to the Property or any portion thereof, such transfer shall be free from the provisions of this lease. However, in that event, Tenant shall have a reasonable opportunity to remove her livestock and equipment from the Property.

#### LAND USE

Except as otherwise hereafter agreed by the parties in writing, Tenant shall use the Property solely for agricultural purposes, including pasturing of cattle and raising hay. Water sources for livestock shall be limited to the existing pond and well on the Property. Livestock shall not be allowed access to any streams on the Property, except with Landlord's prior written approval.

#### HUNTING PRIVILEGES

Tenant shall not permit hunting or the discharge of any firearms on the premises without the Landlord's prior written consent. Tenant shall maintain "No Hunting, No Trespassing" signs around the perimeter of the property.

#### MAINTENANCE

Tenant shall maintain the premises in as good condition as the same are now, normal wear and tear and depreciation and damage from causes beyond the Tenant's control excepted. The Tenant shall keep all culverts, ditches, banks and fence rows, and the road sides adjoining the premises free and clear of weeds and brush. The Tenant agrees to mow the ditch banks, fence rows, and road sides once in June and once between August 15 and September 1, and as may be further necessary to keep the premises free and clear of weeds; and Tenant agrees to keep all weeds from growing and maturing in the pastures and in the hay fields. The Tenant further agrees to keep all fencing in good and substantial repair.

#### HUSBANDRY

The Tenant shall cultivate, fertilize, and manage the farm and premises in a good husband-like manner, according to the most recently approved course of husbandry in order to conserve the premises.

#### CROPPING PRACTICES

The Tenant shall NOT, without the prior written consent of the Landlord, do any of the following:

1. Plow permanent pasture or meadowland.
2. Cut live trees for sale or personal uses.
3. Allow livestock other than her own or those of the Clark family on the premises.
4. Plant legumes on the premises that are not properly inoculated.

#### PASTURING & LIVESTOCK PRACTICES

The Tenant shall prevent trampling of fields by livestock when injury would occur to the premises. In caring for her livestock, the Tenant will follow good husband-like health and sanitation measures, inoculate all livestock according to veterinary recommendations for the geographic area and livestock's use, and guard against disease. No dead livestock shall be buried or otherwise disposed of on the premises without Landlord's prior consent.

#### CONSERVATION PRACTICES

The Tenant will control soil erosion as completely as practicable by stripcropping and contouring, by using no-till planting procedures and by filling in or otherwise controlling small washes or ditches that may form.

#### CONSERVATION STRUCTURES

The Tenant will keep in good repair all terraces, open ditches, and inlets and outlets of tile drains, preserve all established watercourses or ditches, including grass waterways, and the Tenant shall further refrain from any operation or practice that will injure them. The Tenant will keep in good repair all ponds and pond dams, but shall not be responsible for repairing damages from causes beyond the control of tenant.



#### PESTICIDES AND HAZARDOUS MATERIALS

The Tenant shall follow all Environmental Protection Agency and other applicable governmental regulations and guidelines, as to the labeling, use, storage and disposal of fungicides, herbicides, pesticides, and fertilizers. The Tenant shall not allow any hazardous waste, including, but not limited to, petroleum waste products, to be stored, used, or placed on or in the premises or in or near any adjoining waterways. The Tenant shall immediately notify the Landlord in the event of spillage or leakage of any fungicide, herbicide, pesticide, fertilizer, petroleum product, or hazardous substance, material, or waste on the premises. The Tenant shall not place any underground or above-ground storage tanks or containments on the property.

In the event of the spillage or leakage of any fungicides, herbicides, pesticides, fertilizers, petroleum products, or hazardous materials, substances, or waste on the property caused by the Tenant or the Tenant's employees, agents, or invitees, the Tenant shall immediately clean up said spillage or leakage and restore the premises to its prior condition at his own expense.

#### GOVERNMENT RULES AND REGULATIONS

The Tenant shall comply with all applicable local, state, and federal laws and rules and regulations governing livestock and farming operations. The Tenant shall not permit the premises to be used for any illegal activities.

#### MATERIAL AND LABOR

All expenses for materials and/or labor incurred in the farming of the premises and the fulfillment of the terms of this lease shall be the sole responsibility of the Tenant.

#### LIENS

The Tenant shall keep the crops grown on the premises during the term of this lease free from all liens and encumbrances.

#### ASSIGNMENT AND SUBLETTING

This lease shall not be sold, assigned, or in any manner transferred or encumbered by the Tenant, nor shall the premises or any part thereof be sublet, without the Landlord's prior written consent.

#### INSURANCE AND INDEMNITY

The Tenant shall obtain and keep in force insurance acceptable to the Landlord on all equipment and outbuildings. In the event of loss, the Landlord shall not be obligated to repair or rebuild. Tenant shall also obtain and keep in force during the term of this lease, a general liability insurance policy covering her farming activities on the Property, and she will have Landlord listed as an additional insured thereon. The Seller agrees that she shall assume all liability for any injury or damage to persons or property that may arise on or about the Property, or caused by any animal escaping from the Property, due to the breach of any of the terms or conditions of this lease provision by her, or the acts, omissions or negligence of her or her employees, agents, or subcontractors. The Seller shall indemnify

the Purchaser against all such claims filed or made by parties so injured or damaged, and shall reimburse the Purchaser for any legal fees and/or costs, including attorney's fees, incurred in defense of any such claim.

#### DEFAULT

The Tenant agrees that if she fails to observe or perform any of the conditions or covenants on his part to be observed or performed, and such default continues for thirty (30) days after the receipt of a written notice from the Landlord, such written notice to be mailed by registered mail to Tenant's last known address, the Landlord shall have the right to declare this lease terminated, and upon so declaring, the Landlord shall have the right to immediately enter and possess the premises.

#### TAXES

Tenant shall be responsible for the payment of all taxes on Tenant's personal property, including, but not limited to, Tenant's livestock, crops and machinery, located at any time on the premises. Landlord shall pay all real estate taxes on the Property during the term of the lease if any are due.

#### NO PARTNERSHIP

This lease agreement shall not be deemed to give rise to any partnership or joint venture between the parties, and neither party shall have the authority to obligate the other without the other's prior written consent.

#### TERMINATION

Except as otherwise provided herein, either the Landlord or Tenant shall have the right to terminate this lease, after the initial one (1) year term, at any time upon ninety (90) days written notice to the other party. In the event that such termination is to take effect prior to the harvesting of a crop growing at the time of giving notice, the Tenant shall have the right to re-enter and tend and harvest such crop.

#### RETURN OF LAND TO CONDITION

Upon the termination of this lease for any reason whatsoever, the Tenant shall return the land to its original condition, including, but not limited to, where necessary sowing in hay as the Landlord may require.

#### RENEWAL

This lease shall automatically renew at the end of the initial lease term, on a year to year basis, subject however, to the rights of the parties to terminate the lease upon ninety (90) days as set forth above.

#### SUBORDINATION OF LEASE

This lease and Tenant's leasehold interest hereunder are and shall be subject, subordinate to, and inferior to any lien or encumbrance now or hereafter placed on the premises by the Landlord, all advances made under any such lien or encumbrance, the interest payable on any such lien or encumbrance, and any and all renewals or extensions of such liens or encumbrances.

### INDEMNIFICATION

The Tenant shall assume all liability for any injury or damage to persons or property that may arise on or about the premises, or caused by any animal escaping from the premises, due to the breach of any of the terms or conditions of this lease by the Tenant, or otherwise, including, but not limited to, the acts, omissions or negligence of the Tenant or his employees, agents, or subcontractors. The Tenant shall indemnify the Landlord against all claims filed or made by parties so injured or damaged, and shall reimburse the Landlord for any legal fees and/or costs, including attorney's fees, incurred in defense of any such claim.

Witness the following signatures and seals:

\_\_\_\_\_(SEAL)  
REBECCA G. HUDSON, Tenant

ECONOMIC DEVELOPMENT AUTHORITY OF PAGE COUNTY

BY: \_\_\_\_\_(SEAL)  
Lowell Baughan, its Chair  
Landlord